

**CHIEF OPERATING INVESTMENT OFFICER  
Status Report**

Program	Status/Comments
<b>Review of Investment Policies / Delegations</b>	<ul style="list-style-type: none"> <li>• May 2007 – The delegations portion of the project was completed (including Guidelines for Delegating Investment Authority and consolidated delegations documents for all asset classes, plus Supplemental Income Plans).</li> <li>• June 2007 – An update on the second phase of the project was presented at the Investment Committee meeting. The second phase entails streamlining and consolidation of all investment policy.</li> <li>• August 2007 and forward – Consolidated/streamlined policies are being presented on a staggered schedule to the Policy Subcommittee and Investment Committee for approval. To date, the Operational, Global Equity, Fixed Income, and AIM policies have been completed. At the December Policy Subcommittee meeting, the Ethics policies and the Shareowner Activities policies will be presented, as well as the second reading of the Real Estate policy.</li> </ul>
<b>Evaluation of Board Consultant Roles and Responsibilities</b>	<p>A report with findings and recommendations was presented at the January 2008 Offsite. As requested at the January Offsite, information on the consultant contracts was provided to the Board on February 27, 2008. Draft summary of consultants' roles, and a matrix on the implementation of Brock's short-term (non-structural) recommendations was distributed to Board members on June 5, 2008.</p> <p>January 2009 Offsite agenda includes a session with the investment consultants.</p>
<b>Exploring Opportunities, Women in Investments Workshop</b>	Scheduled for February 10, 2009, in Sacramento, CA.
<b>United Nations, Principles for Responsible Investment (PRI)</b>	<p>Ongoing. Attended UN PRI Board meeting on November 11-12 in New York.</p> <p>The COIO serves on the UN PRI Board. In addition, staff is actively participating in several working groups, including Private Equity, Emerging Markets, Real Estate, and Engagement.</p>

Program	Status/Comments
<b>Ceres</b>	<p>Ongoing.</p> <p>The COIO serves on the Ceres Board. In addition, staff is actively involved in the Investor Network on Climate Risk and in implementing the February 2008 Call to Action. Staff worked with the INCR to develop a manager survey on the use of environmental factors in investment decision-making. The survey was issued on December 3.</p>
<b>Toigo Foundation Advisory Board</b>	<p>Ongoing. The COIO serves on the Board. Working with Toigo on development of internship program. A Toigo recruitment day was held on November 20, 2008.</p>
<b>Development of Divestment Policy</b>	<p>Retained PCA to assist in the development of divestment policy. Working with investment staff and legal counsel. At the October 2008 Policy Subcommittee meeting, recommendations were presented and approved. A proposed policy will be presented at the December Policy Subcommittee meeting.</p>
<b>Responsible Contractor Program</b>	<p>Process to consider possible revisions was launched in Summer 2008. Roundtables held in July 2008 for labor representatives and real estate partners; joint roundtable for stakeholders held in September. Board workshop was held on November 18, 2008. A follow-up agenda item will be presented to the Policy Subcommittee in February 2009.</p>
<b>RFPs for Board's General Investment Consultant Pool and Private Equity Consultant</b>	<p>Agenda item presented to the Investment Committee in September to obtain approval to proceed with RFPs. The proposed summaries of services were presented and approved at the October 2008 meeting. General Consultant Pool RFP was issued November 25; and Private Equity Consultant RFP is scheduled to be issued December 19. Contracts to be in place by July 1, 2009.</p>